

NORTH LILY MINING COMPANY

m/023/007

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FAX transmittal

DATE: 19 JAN 2001

TO: WAYNE HEDBERG

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FROM: Gene Webb/Stephen Flechner

RE Amendment to Stipulation

Hard copy to follow Yes ☐ No ☐

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PLEASE SEE PROPOSED REVISIONS TO AMENDMENT.
THANK YOU FOR YOUR CONSIDERATION.



DRAFT**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

**IN THE MATTER OF THE PETITION
FILED BY THE DIVISION OF OIL, GAS
AND MINING FOR AN ORDER
REQUIRING IMMEDIATE
RECLAMATION OF THE TINTIC
PROJECT SITE BY NORTH LILY
MINING COMPANY, JUAB COUNTY,
UTAH**

**FIRST AMENDMENT TO STIPULATION
AND CONSENT ORDER**

Docket No. 2000-004
Cause No. M/023/007

Effective July 26, 2000 the State of Utah, Department of Natural Resources, Division of Oil, Gas and Mining ("Division"), and the North Lily Mining Company, a Colorado company. ("North Lily" or "Operator"), entered into a *Stipulation and Consent Order*, docket no. 2000-004, cause no. M/023/007 (*Stipulation and Consent Order*), a copy of which is attached hereto as exhibit A. The *Stipulation and Consent Order* was approved and adjudicated as a final order by the Utah Board of Oil, Gas and Mining ("Board"). Pursuant to paragraph 16. "Entire Agreement", of the "Agreement and Order" section of the *Stipulation and Consent Order*, this *First Amendment To Stipulation and Consent Order*, entered into between the Division and North Lily, and as approved by the Board (*First Amendment*), is effective _____ of _____, 2001. The sole purpose of this *First Amendment* is to extend North Lily's December 31, 2000 deadline for compliance to July 2, 2001. This *First Amendment* shall become valid and enforceable only if approved by North Lily, the Board, and the Division, as demonstrated by the signature hereto of an authorized representative of North Lily, the Board, and the Division.

FINDINGS AND CONCLUSIONS

1. North Lily has ~~failed to~~ ^{been unable to fully} satisfy its obligation, described in paragraph 2 of the *Agreement and Order*

section of the Stipulation and Consent Order, that all field reclamation activities shall be complete by close of business in December 31, 2000, and therefore, is in breach of that term and condition.

2. The Division agrees that North Lily's ^{inability} failure to meet the December 31, 2000 deadline is for good cause,

~~cause~~ (Not "force majeure"), and that North Lily has accomplished ^{significant} performance.

AGREEMENT AND ORDER

Upon the mutual exchange of covenants contained herein, the parties intending to be legally bound, the Division and North Lily agree as follows:

1. Pursuant to paragraph 5 of the Agreement and Order section of the Stipulation and Consent Order, the Division ^{completes all field reclamation activities,} ~~informally~~ grants North Lily further reasonable time to ~~correct the above described breach.~~

2. The "December 31, 2000" deadline described in paragraph 2 and in paragraph 5(v) of the Agreement and Order section of the Stipulation and Consent Order shall be revised to read "July 2, 2001."

3. Except as described in paragraph ^{four} ~~three~~ below, this First Amendment does not, and shall not be interpreted in any way to, waive or modify any rights the Division or Board have under the Stipulation and Consent Order to enforce any and all deadlines, terms and conditions therein, which terms and conditions shall remain in full force and effect.

4. The Division and Board shall not assert against North Lily any claim for breach of the Stipulation and Consent Order based upon North Lily's ^{inability to fully} ~~failure to~~ meet its December 31, 2000 deadline.

5. The parties hereto have caused this First Amendment to be executed by their duly authorized representatives. The undersigned representatives of North Lily certify under penalty of law that they are authorized to execute this First Amendment on behalf of North Lily; that North Lily consents to the entry of this First Amendment; ~~that North Lily consents to the entry of this First Amendment and to the foregoing findings as an order of the board; and that North Lily hereby waives its rights to appeal this First Amendment and the foregoing findings, conclusions, terms, and conditions.~~

OPERATOR

NORTH LILY MINING COMPANY, a Colorado company.

Date: _____

DIVISION OF OIL, GAS AND MINING

Lowell P. Braxton, Director

Date: _____

THE BOARD OF OIL, GAS AND MINING

Dave D. Lauriski, Chairman

Date: _____

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